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BEFORE THE ARIZONA CORPORATION COMMISSION

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SEP 30 2009



**COMMISSIONERS**

KRISTIN K. MAYES, Chairman

GARY PIERCE

PAUL NEWMAN

SANDRA D. KENNEDY

BOB STUMP

IN THE MATTER OF THE APPLICATION OF  
WATER UTILITY OF GREATER TONOPAH,  
INC., AN ARIZONA CORPORATION, FOR AN  
EXTENSION OF ITS EXISTING CERTIFICATE  
OF CONVENIENCE AND NECESSITY.

Docket No. W-02450A-06-0626

IN THE MATTER OF THE APPLICATION OF  
HASSAYAMPA UTILITY COMPANY, INC.,  
AN ARIZONA CORPORATION, FOR AN  
EXTENSION OF ITS EXISTING CERTIFICATE  
OF CONVENIENCE AND NECESSITY.

Docket No. SW-20422A-06-0566

**REQUEST FOR PROCEDURAL CONFERENCE**

**AND MOTION TO SET HEARING**

On April 30, 2009, Water Utility of Greater Tonopah ("WUGT") and Hassayampa Utilities Company, Inc. ("HUC") (together, the "Global Utilities") filed a motion for extension of time seeking additional time to meet three specific compliance requirements in Decision No. 70357:

- The water Approval to Construct (ATC);
- The wastewater Approval of Construction (AOC);
- The Aquifer Protection Permit (APP).

On September 11, 2009, Staff filed a response recommending that the motion for extension be denied.

This is no run-of-the-mill compliance matter – it presents important public policy issues. Staff's recommendation fails to properly consider the importance of long-term planning, the promotion of responsible and sustainable water management, or the unique situation of the Lower Hassayampa Sub-basin. Moreover, Staff's recommendation is unprecedented and based on erroneous assumptions. Therefore, the Global Utilities respectfully request that the Administrative

1 Law Judge promptly schedule a procedural conference, and thereafter schedule a hearing on the  
2 Global Utilities' Motion for Extension of Time no later than the end of November 2009.

3 **I. Decision No. 70357 was an important milestone for Arizona.**

4 This case was a CC&N extension for several large developments in the West Valley,  
5 including Belmont. These developments are located in the Lower Hassayampa Sub-basin.  
6 Upcoming development in this sub-basin – both within and without the Global Utilities' CC&N --  
7 caused concern for the Arizona Department of Water Resources (ADWR), Maricopa County, the  
8 Town of Buckeye, and the Global Utilities. At the original hearing, the Commission heard  
9 extensive testimony regarding the long-term planning and the groundwater future of this sub-basin.  
10 The testimony demonstrated that using recycled water is crucial to the future sustainability of the  
11 region.

12 The testimony also addressed the great difficulties of creating an accurate hydrologic  
13 model of the sub-basin. The testimony showed that ADWR encouraged all the stakeholders to  
14 jointly develop a hydrologic model, and that the resulting model was the most sophisticated model  
15 used by ADWR. The testimony also discussed the extended negotiations between ADWR, the  
16 Town of Buckeye, landowners and the Global Utilities over assured water supply designations or  
17 certificates in the area.

18 To meet the unique needs of this region, the Global Utilities planned an extensive recycled  
19 water system ("purple pipes") throughout the area. The purple pipes will run to common areas,  
20 medians and other irrigation users, as Global affiliates have done in Pinal County. But the Global  
21 Utilities also plan to extend purple pipes to homes, for uses such as irrigation. In Arizona,  
22 irrigation comprises a significant part of residential water use, so using recycled water for  
23 residential irrigation can save large amounts of groundwater. Extending purple pipes to homes is a  
24 significant step for Arizona. Moreover, the size of the Belmont development will make the purple  
25 pipe project a national leader. There has been a lot of talk about making Arizona the "Saudi  
26 Arabia of Solar"; given our desert environment, Arizona should also be leading the way in  
27 sustainable water use.

1 The Commission discussed these factors at length and with great interest at the open  
2 meeting. The Commissioners realized the important and precedent-setting step they were taking  
3 by approving this CC&N with its extraordinary purple pipe program. The Commissioners also  
4 discussed the importance of regional planning, and the Global Utilities explained that providing a  
5 sustainable, recycled water-based plan cannot be done on a small scale.

6 The Commission's Decision noted the close cooperation between the Global Utilities and  
7 the Town of Buckeye regarding regional planning in the area.<sup>1</sup> The Global Utilities and the Town  
8 of Buckeye believe that as the major water providers in this region, it is critical that they work  
9 together to ensure sustainable and responsible development.

10 **II. The Motion and Staff's response.**

11 In the motion, the Global Utilities requested that the Commission extend the deadlines for  
12 the ATC, AOC and APP until December 31, 2012, little more than two years from today. As  
13 noted in the motion, the economic crisis has caused a general, unprecedented, and unforeseen  
14 delay in the development in the West Valley region, including the developments in this docket.  
15 This is the first request for an extension of time in this docket.

16 Staff filed a response on June 25, 2009 recommending that the motion be denied. Staff  
17 stated that it "understands the downturn in the economy has put a damper on much of the  
18 development in the state." However, Staff noted that the Global Utilities did not file updated  
19 requests for service, and concluded that there is "no apparent need for the CC&N extension in the  
20 foreseeable future."<sup>2</sup>

21 Heeding Staff's concerns, the Global Utilities obtained updated requests for service from  
22 the five major developments in the area. (Global was unable to obtain a request from one smaller  
23 development). Each of the letters expresses a continuing need for service. For example, the letter  
24 from New World Properties states that:

25  
26 

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<sup>1</sup> Decision No. 70357 (May 16, 2008) at 15-17.

27 <sup>2</sup> Staff Report dated June 25, 2009 at page 2.

- 1       •       They have “a critical need for service for this property”;
- 2       •       They are pursuing final zoning;
- 3       •       They have an approved development master plan; and
- 4       •       They have invested \$14.5 million in the project.

5       Likewise, the letter from Sierra Negra Ranch states that:

- 6       •       They “have a continuing need” for service;
- 7       •       That they have invested \$8 million; and
- 8       •       Their project will be “substantially jeopardized” if utility services are not available.

9       Similarly, 339<sup>th</sup> & 1-10, LLC state:

- 10      •       That they continue to need service;
- 11      •       They have obtained approval for their development master plan;
- 12      •       They are close to obtaining approval for zoning and their preliminary plat; and
- 13      •       They are “receiving significant interest” in their commercial and industrial project,
- 14               which would bring badly needed jobs to the West Valley area.

15      Global filed these updated letters on July 15, 2009. Additional copies of these letters are attached.

16             On September 11, 2009, Staff filed a response, stating that the motion for extension of time  
17      should be denied. Staff stated that “Staff understands the downturn in the economy and has noted  
18      that many developers have gone bankrupt and developments abandoned across the state.” Staff  
19      also complained that the letters did not “contain a date certain... for development to take place.”  
20      Staff did not explain what constituted the “development” requiring a date certain. Staff concluded  
21      that the lack of a date certain means there is no “apparent need for service in the near future”  
22      despite the contrary statements of the developers that they have a continuing need for service.  
23      Staff did not address issues such as the impact to regional planning, future recycled water use,  
24      impacts to ADWR’s Lower-Hassayampa sub-basin process, or economic impacts to the developers  
25      or the Global Utilities. Nor did Staff discuss the cost of building the facilities needed to meet the  
26      deadline, or the ongoing expenses that would be associated with such facilities.

1    **III.    A hearing is needed on these important and disputed policy and factual issues.**

2            The Global Utilities were shocked when they received Staff's September 11 filing. They  
3 are not aware of the Commission ever requiring a "date certain" in a request for service.  
4 Moreover, the "date certain" would apparently apply to "development taking place," arguably a  
5 fairly ambiguous term. The Global Utilities are not sure how any utility could honestly provide a  
6 true "date certain" to meet Staff's ambiguous requirement. In fact, the developers' letters indicate  
7 that the early states of development are taking place, such as zoning and approval of master plans.  
8 Moreover, all development timelines are subject to change for a multitude of reasons – even in the  
9 best of times. The Global Utilities have no intention of providing a false "date certain" to the  
10 Commission. The Commission should encourage candor, not false or unrealistic "certainties."

11            At best, utilities may be able to provide an estimate for specific utility actions that will be  
12 subject to change – and any estimate is dependent on representations of the landowners and  
13 developers. The Global Utilities have provided just such an estimate, proposing a new specific  
14 deadline of December 31, 2012.

15            Staff's unprecedented demand for a "date certain" raises policy issues that should be fully  
16 vetted in a hearing. In addition, the Global Utilities are not aware of any first extension of time  
17 that has ever been denied when supported by requests for service. This too raises policy issues that  
18 deserve a hearing.

19            Even more importantly, Staff's position runs counter to sound regional planning and  
20 imperils the difficult and important work on sustainable water resource management for this area  
21 done by the Global Utilities, the Town of Buckeye, ADWR and others, including the Global  
22 Utilities' groundbreaking purple pipe plans.

23            Revoking the CC&N under these circumstances would send a strong signal to utilities to  
24 avoid sound regional planning, because their efforts and investments can be lost due to unforeseen  
25 events – and unforeseen and unannounced new Staff policies. There can be no dispute that the  
26 costs of coordinating requests for service, evaluating capacity to serve issues, obtaining a CC&N,  
27 obtaining assured water supply, obtaining AzPDES, APP, 208, ATC, and all other necessary

1 permits are very real costs that utilities incur before the first connection is established. Staff's  
2 position would make water and wastewater utilities not only responsible for growth conditions, but  
3 would require utilities to gamble very large sums of money on those conditions – none of which lie  
4 in the control of utilities. If adopted, this policy would mean that developer-owned utility  
5 companies would serve most, if not all, new growth; and utility planning would always be done on  
6 a subdivision-by-subdivision basis (to minimize the significant risk of losing the CC&N should  
7 development not occur).

8 In addition to these important policy issues, a hearing is warranted to address numerous  
9 disputed factual issues, including the ongoing need for service in the area, whether the developers  
10 have “gone bankrupt” and the likelihood of “developments abandoned” in this area. At the  
11 hearing, the Global Utilities intend to bolster the showing made in the developers’ letters with  
12 further evidence of strong, committed developers who continue to need service. The Global  
13 Utilities also intend to introduce evidence on the impact of Staff’s recommendation (if adopted) on  
14 ADWR’s assured water process for the Lower-Hassayampa sub-basin. In addition, the economic  
15 impact on this region, including lost jobs, will be discussed. The economic impact evidence will  
16 include the millions invested by developers, and millions more invested by the Global Utilities.  
17 For example, the Global Utilities have spent more than \$ 1 million just on permitting for this  
18 extension area. All of this investment may be at risk due to Staff’s unprecedented and unrealistic  
19 recommendation.

20 Lastly, Staff’s recommendation appears to include voiding the CC&N extension. If that is  
21 the case, a hearing is likely necessary. *See Tonto Creek Estates Homeowners Assoc. v. Arizona*  
22 *Corp. Comm’n*, 177 Ariz. 49, 57, 864 P.2d 1081, 1089 (App. 1993)(notice and hearing required to  
23 revoke CC&N); *James P. Paul Water Co. v. Arizona Corp. Comm’n*, 137 Ariz. 426, 428 n.1, 671  
24 P.2d 404, 406 (1983)(“notice and an opportunity to contest” required).

ROSHKA DEWULF & PATTEN, PLC  
ONE ARIZONA CENTER  
400 EAST VAN BUREN STREET - SUITE 800  
PHOENIX, ARIZONA 85004  
TELEPHONE NO 602-256-6100  
FACSIMILE 602-256-6800

1 **IV. Conclusion.**

2 Accordingly, the Global Utilities request that the Commission set a hearing in this matter  
3 no later than the end of November 2009, and after the hearing, grant the following extensions of  
4 time:

- 5 • ATC for wastewater tie-in to Campus No. 1 WRF to December 31, 2012;
- 6 • AOC for water plant facilities for Phase I to December 31, 2012; and
- 7 • APP to December 31, 2012.

8 RESPECTFULLY SUBMITTED this <sup>th</sup> 30 day of September 2009.

9 ROSKA DEWULF & PATTEN, PLC

10  
11 By



12 Michael W. Patten

13 Timothy J. Sabo

14 One Arizona Center

15 400 East Van Buren Street, Suite 800

16 Phoenix, Arizona 85004

1 Original + 15 copies of the foregoing  
2 Notice was filed this 20<sup>th</sup> day of September 2009, with:

3 Docket Control  
4 Arizona Corporation Commission  
5 1200 West Washington  
6 Phoenix, Arizona 85007

7 Copies of the foregoing were hand-delivered/mailed  
8 this 20<sup>th</sup> day of September 2009, to:

9 Lyn A. Farmer, Esq.  
10 Chief Administrative Law Judge  
11 Hearing Division  
12 Arizona Corporation Commission  
13 1200 West Washington  
14 Phoenix, Arizona 85007

15 Steve Olea  
16 Director, Utilities Division  
17 Arizona Corporation Commission  
18 1200 West Washington  
19 Phoenix, Arizona 85007

20 Janice Alward Esq.  
21 Chief Counsel, Legal Division  
22 Arizona Corporation Commission  
23 1200 West Washington  
24 Phoenix, Arizona 85007

25 Mr. Brian Bozzo  
26 Compliance Manager, Utilities Division  
27 Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

By *Debbie Amarel*



EXHIBIT

"A"

April 31, 2009

Water Utility of Greater Tonopah  
Hassayampa Utilities Company  
Attn: Ms. Cindy Liles  
21410 N. 19<sup>th</sup> Ave., Ste. 201  
Phoenix, AZ 85027

RE: Request for Services from Water Utility of Greater Tonopah and Hassayampa Utilities Company

Dear Ms. Liles:

Our ownership group owns the property described in Exhibit A attached hereto which is generally know as Belmont and we hereby request water, service for this property from Water Utility of Greater Tonopah and wastewater and recycled water services for this property from Hassayampa Utilities Company. Belmont has a need for this service for this property.

Belmont is continuing to pursue development for this property and we should obtain zoning for our first phase consisting of approximately 1200 acres by August. Feel free to contact me with any questions.

Sincerely yours,

  
William D. Ring  
6040 East Shea Blvd. Suite 254  
Scottsdale, AZ 85254

**PARCEL NO. 38:**

The West half, the West half of the East half, the Northeast quarter of the Northeast quarter, the South half of the North half of the Southeast quarter of the Northeast quarter and the South half of the Southeast quarter of the Northeast quarter of Section 29, Township 2 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

EXCEPT COMMENCING at the Northeast corner of said Northeast quarter of the Northeast quarter of Section 29;

THENCE South 00 degrees 11 minutes 16 seconds West, along the East line of said Northeast quarter of the Northeast quarter, 1291.13 feet to the POINT OF BEGINNING;

THENCE continuing South 00 degrees 11 minutes 16 seconds West, 26.41 feet;

THENCE North 89 degrees 25 minutes 24 seconds West, along the South line of said Northeast quarter of the Northeast quarter, 808.80 feet;

THENCE North 01 degrees 25 minutes 28 seconds West, 101.26 feet;

THENCE South 84 degrees 09 minutes 42 seconds East, 815.59 feet to the POINT OF BEGINNING.

**PARCEL NO. 39:**

The Northeast quarter, the Southeast quarter of the Northwest quarter, the North half of the Southeast quarter and the Southeast quarter of the Southeast quarter of Section 30, Township 2 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 40:**

The East half of the East half of Section 31, Township 2 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 41:**

The Southwest quarter of the Northwest quarter of Section 26, Township 3 North, Range 6 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 30:**

The South half of the Northeast quarter and the Southeast quarter of Section 22, Township 3 North, Range 6 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 31:**

Lots 1 through 3, inclusive; the Northeast quarter of the Northeast quarter, the South half of the North half and the South half of Section 23, Township 3 North, Range 6 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 32:**

Lots 2 through 4, inclusive, the South half of the Northwest quarter and the South half of Section 24, Township 3 North, Range 6 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 33:**

All of Section 25, Township 3 North, Range 6 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 34:**

The East half and the East half of the West half of Section 26, Township 3 North, Range 6 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 35:**

The East half of Section 27, Township 3 North, Range 6 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 36:**

All of Section 34, Township 3 North, Range 6 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 37:**

All of Section 35, Township 3 North, Range 6 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 22:**

The East half of Section 34, Township 3 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 23:**

Lots 1 through 4, inclusive; the South half of the North half and the South half of Section 1, Township 2 North, Range 6 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 24:**

All of Section 11, Township 2 North, Range 6 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 25:**

All of Section 12, Township 2 North, Range 6 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 26:**

The North half and the Southwest quarter of Section 13, Township 2 North, Range 6 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 27:**

The East half of Section 14, Township 2 North, Range 6 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 28:**

The Northeast quarter of Section 24, Township 2 North, Range 6 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 29:**

Lot 3 of Section 14, Township 3 North, Range 6 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

Lots 2 through 6, inclusive; the Southeast quarter of the Northwest quarter, the East half of the Southwest quarter and the East half of Section 19, Township 3 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 15:**

All of Section 20, Township 3 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 16:**

All of Section 21, Township 3 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 17:**

All of Section 28, Township 3 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 18:**

All of Section 29, Township 3 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 19:**

Lots 1 through 4, inclusive; the East half of the West half and the East half of Section 30, Township 3 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 20:**

Lots 1 through 4, inclusive; the East half of the West half and the East half of Section 31, Township 3 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 21:**

All of Section 33, Township 3 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 7:**

All of Section 8, Township 2 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 8:**

All of Section 9, Township 2 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 9:**

The West half of the East half and the West half of Section 10, Township 2 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 10:**

Lots 1 through 4, inclusive; the East half of the West half and the East half of Section 18, Township 2 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 11:**

Lot 1, the East half of the Northwest quarter and the East half of Section 19, Township 2 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 12:**

Lot 1, Lots 4 through 7, inclusive; the Southeast quarter of the Northeast quarter, the South half of the Southwest quarter and the Southeast quarter of Section 17, Township 3 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 13:**

Lots 9 and 10 of Section 18, Township 3 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

**PARCEL NO. 14:**

EXHIBIT A  
INFRASTRUCTURE COORDINATION AND FINANCE AGREEMENT

LEGAL DESCRIPTION OF LAND

PARCEL NO. 1: [INTENTIONALLY DELETED]

PARCEL NO. 2:

Lots 1 through 4, inclusive; the South half of the North half and the South half of Section 3, Township 2 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

PARCEL NO. 3:

Lots 1 through 4, inclusive; the South half of the North half and the South half of Section 4, Township 2 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

PARCEL NO. 4:

Lots 1 through 4, inclusive, the South half of the North half and the South half of Section 5, Township 2 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

PARCEL NO. 5:

Lots 1 through 7, inclusive; the South half of the Northeast quarter, the Southeast quarter of the Northwest quarter, the Southeast quarter and the East half of the Southwest quarter of Section 6, Township 2 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

PARCEL NO. 6:

Lots 1 through 4, inclusive; the East half of the West half and the East half of Section 7, Township 2 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.



**PARCEL NO. 42:**

**GLO Lot (fractional Southwest quarter of the Southwest quarter) and the Southeast quarter of the Southwest quarter and the Southwest quarter of the Southeast quarter of Section 30, Township 2 North, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.**

**PARCEL NO. 43: [INTENTIONALLY DELETED]**

**PARCEL NO. 44: [INTENTIONALLY DELETED]**

**PARCEL NO. 45: [INTENTIONALLY DELETED]**

**EXHIBIT**

**"B"**

# 339<sup>th</sup> & I-10, LLC

14400 N. 76<sup>th</sup> Place  
Scottsdale, Arizona 85260

April 20, 2009

Water Utility of Greater Tonopah  
Hassayampa Utility Company  
C/O Global Water Resources  
21410 N. 19<sup>th</sup> Avenue  
Suite 201  
Phoenix, Arizona 85027

Re: Water, Wastewater, and Recycled Water Services for Hidden Waters Ranch

Dear Trevor,

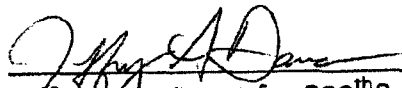
Please consider this letter as our formal renewal of our request that Water Utility of Greater Tonopah serve as our potable water provider and that Hassayampa Utility Company serve as our wastewater and recycled water provider for our Hidden Waters Ranch project.

We continue to process the project through Maricopa County Community Development and have secured approval for our *Development Master plan*. We have submitted plans to secure the desired zoning classifications and the preliminary plat and expect to have those cases before the County Board of Supervisors within the next 30 to 45 days for approvals. We have proposed a mixture of industrial warehousing and residential uses that will bring much needed jobs and affordable housing to the region. We also have proposed badly needed commercial sites for the future residents of the region as 339<sup>th</sup> Avenue is planned as a major hub of commercial activity.

We are currently marketing our industrial sites to several regional developers and have received significant interest in the project. We will keep you posted on any developments along those lines in order to maintain consistent timeframes for activity.

If you have any questions, please contact us at (480) 368-5205. Thank you for your help.

Best Regards,

  
Jeff Dana – Agent for 339<sup>th</sup> & I-10, LLC

EXHIBIT

"C"

**SIERRA NEGRA RANCH LLC**  
SNR MANAGEMENT LLC

July 8, 2009

Ms. Cindy Liles  
Water Utility of Greater Tonopah  
Hassayampa Utilities Company  
21410 N. 19<sup>th</sup> Ave., Ste. 201  
Phoenix, AZ 85027

RE: Continuing Need for Services from  
Water Utility of Greater Tonopah  
Hassayampa Utilities Company

Dear Ms. Liles:

Sierra Negra Ranch LLC owns the property described in legal descriptions attached hereto known as the Silver Springs Ranch and Silver Water Ranch Master Planned Communities. Both properties have a continuing need for water, wastewater and recycled water service from the Water Utility of Greater Tonopah. Without services for these properties from Hassayampa Utilities Company, Maricopa County will not allow the properties to continue with zoning for future development and our projects success will be substantially jeopardized.

We are continuing to pursue entitlements for this property and to date have expended approximately eight million dollars to secure future utility services and bring the properties through entitlements thus far. As we proceed through zoning, our expenditures continue as we plan for interchanges, purchase right of ways and work with the County to ensure a successful community is eventually developed.

We thank you for your continued support and services.

Sincerely yours,

SIERRA NEGRA RANCH LLC,  
a Nevada limited liability company

By: SNR Management LLC, a Nevada limited liability company, Manager

By: Becker SNR LLC, a Nevada limited liability company, Manager

By: *Barry W. Becker*  
Barry W. Becker, Manager

May 1, 2006

LEGAL DESCRIPTION FOR  
SILVER WATER RANCH

PARCEL NO. 1:

The West Half of Section 21, Township 2 North, Range 6 West of the Gila and Salt River Meridian, Maricopa County, Arizona;

EXCEPT the East 200 acres thereof.

PARCEL NO. 2:

The Northwest Quarter of Section 28, Township 2 North, Range 6 West of the Gila and Salt River Meridian, Maricopa County, Arizona.

PARCEL NO. 3:

The Northeast Quarter of Section 29, Township 2 North, Range 6 West of the Gila and Salt River Meridian, Maricopa County, Arizona;

EXCEPT that portion of the South Half of the Northeast Quarter of Section 29, Township 2 North, Range 6 West of the Gila and Salt River Meridian, Maricopa County, Arizona, which lies within a strip of land 308 feet in width, being 154 feet wide on each side of the following described line:

BEGINNING at a point on the West line of said Section 29, which point bears South 0 degrees 00 minutes 38 seconds West, 1476.85 feet from the Northwest corner of said Section 29;

Thence South 75 degrees 04 minutes 23 seconds East, 5470.76 feet to a point on the East line of said Section 29, which point bears South 0 degrees 03 minutes 23 seconds West, 243.12 feet from the East Quarter Corner of said Section 29, as conveyed to State of Arizona by and through its Highway Commission by Warranty Deed recorded in Docket 6586, Page 69.

PARCEL NO. 4:

The West Half of the Southwest Quarter of the Northeast Quarter; and

The West Half of the Southeast Quarter of the Southwest Quarter of the Northeast Quarter; and



Legal Description for  
Silver Water Ranch  
May 1, 2006

The West Half of the Northeast Quarter of the Southwest Quarter of the Northeast Quarter of Section 28, Township 2 North, Range 6 West of the Gila and Salt River Meridian, Maricopa County, Arizona.

PARCEL NO. 5:

The Southeast Quarter of the Northeast Quarter; and

The Southeast Quarter of the Northeast Quarter of the Northeast Quarter of Section 28, Township 2 North, Range 6 West of the Gila and Salt River Meridian, Maricopa County, Arizona.

PARCEL NO. 6:

The Northeast Quarter of the Northeast Quarter of the Northeast Quarter of Section 28, Township 2 North, Range 6 West of the Gila and Salt River Meridian, Maricopa County, Arizona.

PARCEL NO. 7:

The East Half of the Southeast Quarter of the Southwest Quarter of the Northeast Quarter; and

The East Half of the Northeast Quarter of the Southwest Quarter of the Northeast Quarter of Section 28, Township 2 North, Range 6 West of the Gila and Salt River Meridian, Maricopa County, Arizona.



May 1, 2006

LEGAL DESCRIPTION FOR  
SILVER SPRINGS RANCH

PARCEL NO. 1:

The West Half of the Northeast Quarter and the North Half of the Southeast Quarter of Section 7, Township 1 North, Range 6 West of the Gila and Salt River Meridian, Maricopa County, Arizona;

EXCEPT that portion of the following described parcel of land lying within a 200 foot strip, being 100 feet on each side of the following described centerline:

BEGINNING at a point North 07 degrees 7 minutes 30 seconds East, 1223.03 feet from the Southeast Corner of Section 16, Township 1 North, Range 6 West of the Gila and Salt River Meridian, Maricopa County, Arizona;

Thence North 56 degrees 07 minutes 30 seconds West, 1783.55 feet to the Point of Curve of a 0 degrees 15 minutes curve to the right, having a radius of 22,918.3 feet;

Thence along the arc of said curve, a distance of 433.33 feet to the Point of Tangent of said curve;

Thence North 55 degrees 02 minutes 30 seconds West, 9949.29 feet to the Point of Curve of a 4 degrees 00 minutes curve to the left, having a radius of 1432.69 feet;

Thence along the arc of said curve, 417.29 feet to the Point of Tangent of said curve;

Thence North 71 degrees 44 minutes West, 4963.49 feet to the Point of Curve of a 2 degrees 00 minutes curve to the right having a radius of 2864.79 feet;

Thence along the arc of said curve, 489.17 feet to the Point of Tangent of said curve;

Thence North 61 degrees 57 minutes West, 211.49 feet to a point on the West line of Section 7, Township 1 North, Range 6 West of the Gila and Salt River Meridian, Maricopa County, Arizona, said point being South 0 degrees 16 minutes West, 394.03 feet from the Northwest corner of said Section 7;

The West Half of the Northeast Quarter of Section 7, Township 1 North, Range 6 West of the Gila and Salt River Meridian, Maricopa County, Arizona, as conveyed to MARICOPA COUNTY, a political subdivision of the State of Arizona by Quit Claim Deed recorded in Docket 2747, Page 161.





Legal Description for  
Silver Springs Ranch  
May 1, 2006

PARCEL NO. 2:

All of Section 6, Township 1 North, Range 6 West of the Gila and Salt River Meridian, Maricopa County, Arizona.

PARCEL NO. 3:

The South Half and the Northwest Quarter of Section 31, Township 2 North, Range 6 West of the Gila and Salt River Meridian, Maricopa County, Arizona;

EXCEPT from Lots 1 and 2 and the East Half of the Northwest Quarter thereof, all minerals as reserved unto the United States in the recorded Patent to said land recorded in Docket 2623, Page 394.

PARCEL NO. 4:

All of Section 32, Township 2 North, Range 6 West of the Gila and Salt River Meridian, Maricopa County, Arizona;

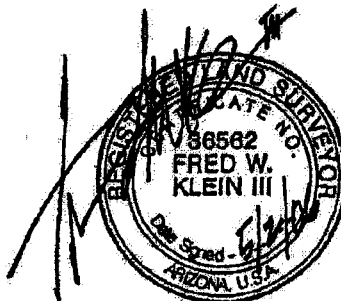
EXCEPT all minerals as reserved unto the State of Arizona in Book 334 of Deeds, Page 248 (as to the Southeast Quarter) and in Book 360 of Deeds, Pages 10 (as to the North Half and the Southwest Quarter).

PARCEL NO. 5:

The Southwest Quarter of Section 33, Township 2 North, Range 6 West of the Gila and Salt River Meridian, Maricopa County, Arizona.

PARCEL NO. 6:

The Northeast Quarter of Section 31, Township 2 North, Range 6 West of the Gila and Salt River Meridian, Maricopa County, Arizona.



May 1, 2006

LEGAL DESCRIPTION FOR  
SILVER SPRINGS RANCH  
STATE TRUST LAND PARCEL

The Southeast Quarter of Section 33, Township 2 North, Range 6 West of the Gila and Salt River  
Meridian, Maricopa County, Arizona.

Containing 159.437 Acres, more or less.



EXHIBIT

"D"



July 8, 2009

Water Utility of Greater Tonopah  
Hassayampa Utilities Company  
Attn: Ms. Cindy Liles  
21410 N. 19<sup>th</sup> Ave., Ste. 201  
Phoenix, AZ 85027

RE: Continuing Need for Services from  
Water Utility of Greater Tonopah  
Hassayampa Utilities Company

Dear Ms. Liles:

As you are aware, I represent New World Properties in regards to all entitlement activities on its Copperleaf project in Tonopah. New World Properties owns the property described in Exhibit A attached hereto. Our development has a continuing need for water service for this property from Water Utility of Greater Tonopah and wastewater and recycled water services for this property from Hassayampa Utilities Company. New World has a critical need for this service for this property.

Our Development Master Plan has been approved and is still in force. We have and are continuing to pursue development for this property. We have recently completed a final submittal for zoning on the entire property. With acquisition, utility advances, site engineering, legal fees and various other fees, New World has already invested in excess of \$14,500,000 on this project. Regardless of current market conditions, it is imperative that we continue our entitlement process and having a viable wastewater, reclaimed water and water solution critical to our success.

Please feel free to contact me directly if you have any questions.

Regards,

Richard Jellies  
For: New World Properties

*Land • Entitlement • Acquisition • Development*

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2141 EAST BROADWAY ROAD • SUITE 111 • TEMPE, ARIZONA 85282 • (480) 557-7771 • FAX (480) 557-7772  
EML: LEADGROUPLAND@AOL.COM

**EXHIBIT "A"**

**PARCEL NO. 1:**

**THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER SECTION 20,  
TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND  
MERIDIAN, MARICOPA COUNTY, ARIZONA.**

**PARCEL NO. 2:**

**THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 2  
NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN,  
MARICOPA COUNTY, ARIZONA.**

**PARCEL NO. 3:**

**THE SOUTH HALF OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 2  
NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN,  
MARICOPA COUNTY, ARIZONA.**

**PARCEL NO. 4:**

**THE NORTHWEST QUARTER OF SECTION 29, TOWNSHIP 2 NORTH, RANGE 6 WEST  
OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY,  
ARIZONA;**

**EXCEPT THEREFROM THOSE PORTIONS LYING WITHIN THE FOLLOWING  
DESCRIBED PARCELS OF LAND:**

**BEGINNING AT A POINT ON THE LINE COMMON TO SAID SECTIONS 29 AND 30,  
WHICH POINT BEARS NORTH 00 DEGREES 00 MINUTES 38 SECONDS EAST, 2805.94  
FEET FROM THE CORNER COMMON TO SECTIONS 29, 30, 31 AND 32;**

**THENCE NORTH 89 DEGREES 59 MINUTES 22 SECONDS WEST, 33.00 FEET;**

**THENCE NORTH 07 DEGREES 33 MINUTES 28 SECONDS WEST, 888.33 FEET TO THE  
EXISTING SOUTHERLY RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY 10  
(EHRENBERG-PHOENIX HIGHWAY);**

**THENCE SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST, ALONG SAID RIGHT-  
OF-WAY LINE, A DISTANCE OF 310.42 FEET;**

**THENCE SOUTH 08 DEGREES 19 MINUTES 27 SECONDS WEST, 809.17 FEET;**

**THENCE NORTH 89 DEGREES 59 MINUTES 22 SECONDS WEST, 33.00 FEET TO THE  
POINT OF BEGINNING; AND**

EXCEPT THAT PORTION OF SAID NORTHWEST QUARTER OF SAID SECTION 29, WHICH LIES WITHIN AND NORTH OF A STRIP OF LAND 308 FEET IN WIDTH, BEING 154 FEET WIDE ON EACH SIDE OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE WEST LINE OF SAID SECTION 29, WHICH POINT BEARS SOUTH 00 DEGREES 00 MINUTES 38 SECONDS WEST, 1476.85 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 29;

THENCE SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST, 5470.76 FEET TO A POINT ON THE EAST LINE OF SAID SECTION 29, WHICH POINT BEARS SOUTH 00 DEGREES 03 MINUTES 23 SECONDS WEST, 243.12 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION 20.

PARCEL NO. 5:

THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT THEREFROM THAT PORTION WHICH LIES WITHIN AND NORTH OF A STRIP OF LAND 308 FEET IN WIDTH, BEING 154 FEET WIDE ON EACH SIDE OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE WEST LINE OF SECTION 30, WHICH POINT BEARS SOUTH 00 DEGREES 00 MINUTES 05 SECONDS WEST, 76.94 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 30;

THENCE SOUTH 75 DEGREES 07 MINUTES 10 SECONDS EAST, 2990.74 FEET TO A BEARING EQUATION POINT, AT WHICH POINT SOUTH 75 DEGREES 07 MINUTES 10 SECONDS EAST = SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST;

THENCE SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST, 2445.44 FEET TO A POINT ON THE LINE COMMON TO SAID SECTION 29 AND 30, TOWNSHIP 2 NORTH, RANGE 6 WEST, WHICH POINT BEARS SOUTH 00 DEGREES 00 MINUTES 38 SECONDS WEST, 1476.85 FEET FROM THE SECTION CORNER COMMON TO SECTIONS 19, 20, 29 AND 30, TOWNSHIP 2 NORTH, RANGE 6 EAST;

THENCE CONTINUING SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST, TO THE EAST LINE OF SAID WEST HALF OF THE NORTHWEST QUARTER OF SECTION 29; AND

EXCEPT THEREFROM THOSE PORTIONS LYING WITH THE FOLLOWING DESCRIBED PARCELS OF LAND:

BEGINNING AT A POINT ON THE LINE COMMON TO SAID SECTIONS 29 AND 30, WHICH POINT BEARS NORTH 00 DEGREES 00 MINUTES 38 SECONDS EAST, 2805.94 FEET FROM THE CORNER COMMON TO SECTIONS 29, 30, 31 AND 32;

THENCE NORTH 89 DEGREES 59 MINUTES 22 SECONDS WEST, 33.00 FEET;

THENCE NORTH 07 DEGREES 33 MINUTES 28 SECONDS WEST, 888.33 FEET TO THE EXISTING SOUTHERLY RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY 10 (EHRENBERG-PHOENIX HIGHWAY);

THENCE SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST, ALONG SAID RIGHT-OF-WAY LINE, A DISTANCE OF 310.42 FEET;

THENCE SOUTH 08 DEGREES 19 MINUTES 27 SECONDS WEST, 809.17 FEET;

THENCE NORTH 89 DEGREES 59 MINUTES 22 SECONDS WEST, 33.00 FEET TO THE POINT OF BEGINNING; AND

EXCEPT THEREFROM THOSE PORTIONS LYING WITHIN THE FOLLOWING DESCRIBED PARCELS OF LAND:

BEGINNING AT THE NORTHEAST CORNER OF SECTION 30;

THENCE WEST ALONG THE NORTH SECTION LINE 511 FEET;

THENCE SOUTH 90 FEET;

THENCE WEST 50 FEET;

THENCE SOUTH 1098 FEET;

THENCE EAST ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY 10 (EHRENBERG-PHOENIX HIGHWAY) TO A POINT COMMON TO SECTIONS 29 AND 30, TOWNSHIP 2 NORTH, RANGE 6 WEST;

THENCE NORTH ALONG THE EAST SECTION LINE TO THE POINT OF BEGINNING.

PARCEL NO. 6:

THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT THEREFROM THAT PORTION WHICH LIES WITHIN AND NORTH OF A STRIP OF LAND 308 FEET IN WIDTH, BEING 154 FEET WIDE ON EACH SIDE OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE WEST LINE OF SECTION 30, WHICH POINT BEARS SOUTH 00 DEGREES 00 MINUTES 05 SECONDS WEST, 76.94 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 30;

THENCE SOUTH 75 DEGREES 07 MINUTES 10 SECONDS EAST, 2990.74 FEET TO A BEARING EQUATION POINT, AT WHICH POINT SOUTH 75 DEGREES 07 MINUTES 10 SECONDS EAST=SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST;

THENCE SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST, 2445.44 FEET TO A POINT ON THE LINE COMMON TO SAID SECTION 29 AND 30, TOWNSHIP 2 NORTH, RANGE 6 WEST, WHICH POINT BEARS SOUTH 00 DEGREES 00 MINUTES 38 SECONDS WEST, 1476.85 FEET FROM THE SECTION CORNER COMMON TO SECTIONS 19, 20, 29 AND 30, TOWNSHIP 2 NORTH, RANGE 6 EAST;

THENCE CONTINUING SOUTH 75 DEGREES 04 MINUTES 23 SECONDS EAST TO THE EAST LINE OF SAID WEST HALF OF THE NORTHWEST QUARTER OF SECTION 29.